A Proposal For

Regulating Resource Development

December 2002

A Proposal For Regulating Resource Development

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Tab 1

A Proposal for Regulating Resource Development

Our government is committed to the wise management of Alberta's natural resources and environment ... our vision ... a vibrant economy and a healthy environment for all Albertans ... our success will depend on how well we work together. - Ralph Klein, Premier [1]

EXECUTIVE SUMMARY

Existing legislation, with refinements, enables implementation.

Alberta's resource and environmental management regulatory system has been evolving and maturing since the province assumed responsibility for its natural resources in 1930. In recent years, consolidating environmental legislation into the *Environmental Protection and Enhancement Act (1992)*, government-wide regulatory reform and the development of Alberta's Commitment to Sustainable Resource and Environmental Management have been key advancements.

Environmental policy, standards setting, monitoring, regulation and enforcement provide certainty that Alberta's air, water and land are being managed in a safe and sustainable manner in the present and for the future.

The province is now positioned to take the next steps in regulating resource development to achieve its vision for sustainable development. The recommendations made in this report call on government, industry, other organizations and individuals to work together and focus on a uniquely Alberta approach to more effectively implement existing sustainable resource and environmental management legislation across the Ministries of Energy, Environment and Sustainable Resource Development.

This report contains a model illustrating the proposed concept for the responsibilities of *direction setting and management* and *delivery*.

Ministries of Energy, Environment and Sustainable Resource Development will direct the development of cross-Ministry policy and harmonization of standards of strategic importance.

Direction setting and management includes policy and standards development, provincial-regional monitoring and evaluation. A cross ministry and resource sector approach is recommended to achieve desired sustainable development outcomes and to pursue integrated solutions. Such an approach would support Cabinet and the Standing Policy Committee on Energy and Sustainable Development in advancing

[1] Excerpts from the Foreword of 'Alberta's Commitment to Sustainable Resource and Environmental Management'

integrated policy for sustainable resource and environmental management.

Resource projects will have one regulator, one review, one approval and a single appeal avenue.

Changing the regulatory *delivery* approach to that which assigns end-to-end responsibility for regulating a resource development sector to a single regulator will result in less complexity, more transparency and improved accountability. The basis of the recommended regulatory framework is one review, one comprehensive approval and one appeal process. The report deals with the transfer of authority to the regulators and provision of guidance for decision-makers.

Public, industry, government and regulator input on matters of environmental and resource policy will be sought through a formalized process, outside of the regulatory process.

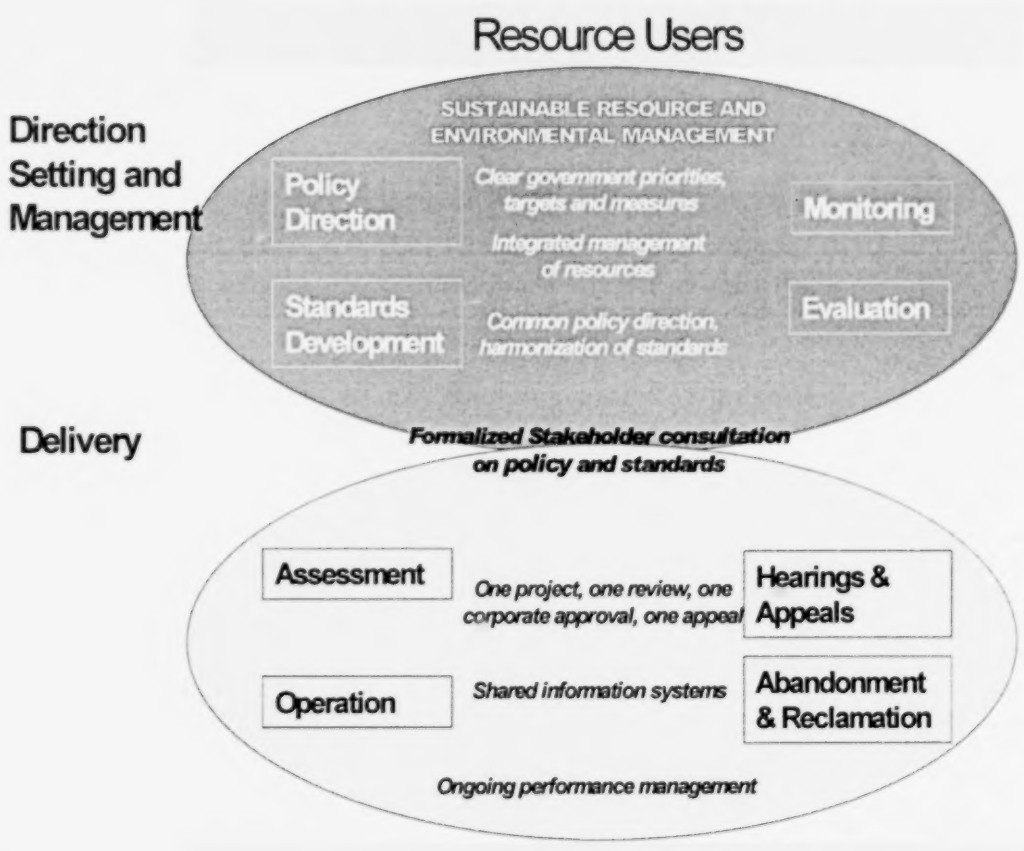
These recommendations provide for a more streamlined, efficient and effective delivery of regulatory processes. Building on current strengths, the proposed changes would facilitate appropriate stakeholder involvement at key steps in the policy development and regulatory process, support evolving regulatory requirements, such as those necessary to advance the Albertans & Climate Change strategy, and help maintain the Alberta Advantage by ensuring Albertans realize maximum benefits from their natural resources while minimizing duplication and inefficiencies. The intent is to also improve accountability across a broad range of stakeholders, including government, business and communities.

Sustainable resource and environmental management performance measures will be developed with targets set.

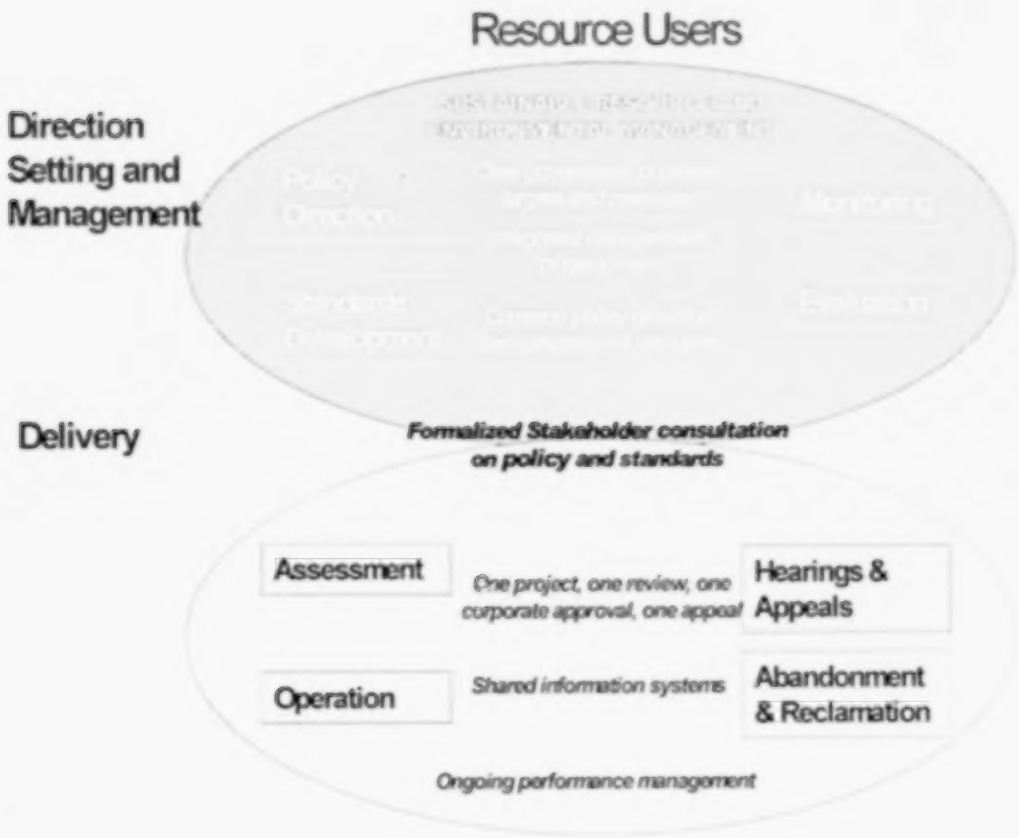
Some of the recommendations, such as integrated policy development, can be acted upon immediately, while implementing others will require the development of comprehensive transition plans before they can be incorporated into future Government and Ministry Business Plans.

To achieve the desired regulatory delivery, it is imperative to gain the support of provincial organizational units beyond the core regulatory review participants, Energy, Energy and Utilities Board, Environment and Sustainable Resource Development, for the recommendations. Therefore, transition planning should involve other government Ministries as well as the Environmental Appeal Board, Surface Rights Board and the Natural Resources Conservation Board as warranted.

Proposed Concept for Regulating Resource Development



Proposed Concept for Regulating Resource Development



Tab 2

INTRODUCTION

The resource development regulatory review is a cross-ministry initiative lead by Alberta Energy, the Alberta Energy and Utilities Board and the Ministries of Environment and Sustainable Resource Development.

Enhancing the way the ministries work with both the public and industry is aimed at ensuring the Government of Alberta continues to deliver on its commitment to sustainable resource development and sound environmental protection. The goal is to refine regulatory and administrative processes so that the system serves the needs of all stakeholders without duplication, overlap, unnecessary steps and unwarranted costs.

The review team carried out a fundamental review of the regulatory regime associated with developing and managing Alberta's natural resources. Work included examining existing environment, energy and resource regulatory processes and identifying changes that can help to achieve a common framework for the development of Alberta's natural resources that is understandable, fair, inclusive and accountable.

The governing principles of the review are in ***Alberta's Commitment to Sustainable Resource and Environmental Management,*** which describes the Alberta Governments vision and direction for resource development.

The review considered the Alberta Government's decision-making processes, including the ***Standing Policy Committee on Energy and Sustainable Development.*** This committee reviews and makes recommendations on policies, programs and legislation and hears public and private submissions pertaining to energy, environment and sustainable resource development.

The ***Scope*** of the review is the regulatory and administrative processes delivered by Alberta Energy, the Alberta Energy and Utilities Board, the Ministries of Environment and Sustainable Resource Development.

The ***Key Objectives*** are to improve delivery of regulations, improve Alberta's business climate, reduce cost of regulatory requirements over time and maintain Alberta's high environmental standards.

The ***Key Outcome*** of the regulatory review is a streamlined, efficient and effective delivery of the many regulatory processes associated with the management of air, water, timber, grazing, oil, oil sands, gas, coal, mineral and public land resources. As such, the review spans the entire spectrum of resource development ranging from project application through development, operation, abandonment and reclamation.

Tab 3

Findings and Recommendations

Single Regulator Proposal

Environment/NRCB

Municipal Drinking Water Facilities	Municipal Waste Water Treatment	Commercial /Industrial Processing	Municipal Commercial/ Industrial Hazardous Waste Management	Water Rights Allocation and Use	Petrochemical/ Chemical/ Refinery	Major Water Development Projects

Sustainable Resource Development/NRCB

Commercial, Industrial and Recreational Activities	Grazing on Public Lands	Geophysical and Mineral Exploration	Sand and Gravel	Timber Quota's, Licenses and Permits	Forest Management Agreements
Confined Feeding Operations	Major Commercial Recreation	Forestry - Major Manufacturing Plants	Forestry - Pulp Mills		

Energy/EUB/SRD

Mineral Rights Allocation and Management	Gas Plants, Wellsites, Pipelines, Batteries, Oil Field Waste Management	Power Plants - Coal, Gas, Co-Gen and Waste	Power Plants - Hydro	Transmission Lines	Oil Sands Development	Coal Mining and Processing
Metallic/ Industrial, Other Mineral Mining						

SUMMARY OF RECOMMENDATIONS

1. **The Ministries of Energy, Environment and Sustainable Resource Development will be responsible for the development and integration of cross-ministry policies for sustainable resource and environmental management.**

2. **Assign the responsibility, authority and accountability for the full lifecycle of each natural resource project / activity to a single regulator.**

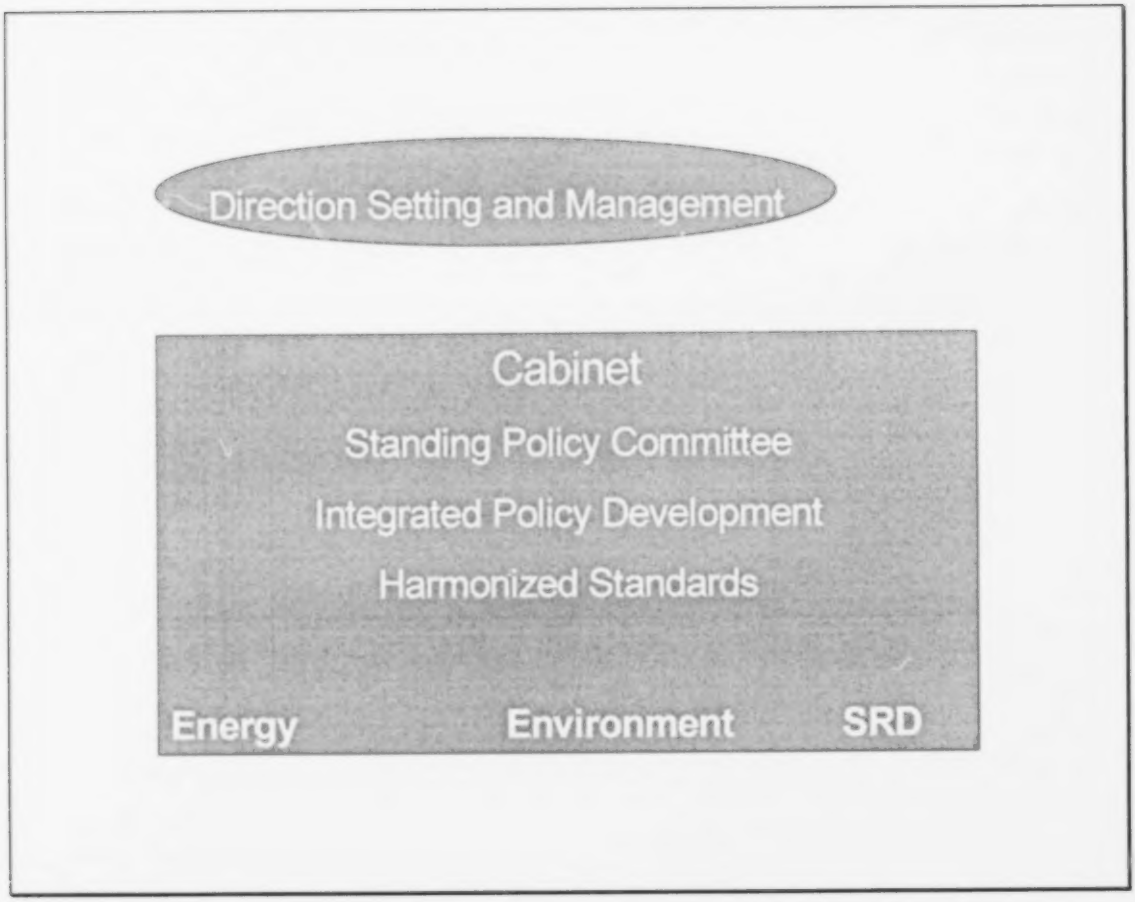
3. **Sustainable resource and environmental management standards will be developed and harmonized using an integrated cross-ministry approach and a formalized stakeholder consultation process.**

4. **Each regulator will ensure that a formal, transparent, and procedurally fair appeal process is in place to review the regulator's decisions.**

5. **Integrate environmental and resource information systems within government and with external information providers to enable easy access to data and information required across government, by industry and stakeholders and by the public.**

6. **A transition plan is required to implement the new integrated direction setting and management and "one regulator" delivery approaches.**

Direction Setting and Management



Policy Direction

Existing Approach-Findings

- Most resource and environmental regulatory policy is currently developed within individual ministries, limiting the ability to address competing demands for development of the same resource.
- Regulators are often faced with resource and environmental policy issues at project-specific assessments/hearings.
- Albertans use project-specific hearings and appeals to voice concerns about unclear or missing policy.

Recommendation No. 1

The Ministries of Energy, Environment and Sustainable Resource Development will be responsible for the development and integration of cross-ministry policies for sustainable resource and environmental management.

Features

- Ministries will champion individual policy issues, with a strong emphasis on cooperation – not competition.
- Policy work will be assigned on a project-basis, adequately resourced by each Ministry and completed in a timely manner. The project team will be disbanded upon completion.
- Stakeholder and regulator input into policy issues will be facilitated through a formalized consultation process.
- Proposed cross-ministry policy will be submitted to the Standing Policy Committee on Energy and Sustainable Development and Cabinet.
- Approved government policy will be formally communicated in writing to regulators and stakeholders.
- The Government will be responsible for setting strategic direction for a region or area.

- Regional strategies will apply government direction to the unique attributes and opportunities in that region.
- Sustainable resource and environmental management performance measures will be developed and included in the Government's Business Plan.

Benefits

- Integrated policy development will ensure that competing demands for natural resources are managed for the benefit of Albertans.
- Regulators will have clear, written policy direction from government to guide them in their regulatory decision-making activities.
- Industry and communities will have more certainty in achieving their sustainability goals.
- Albertans will know the government position on a resource and environmental policy issue and will have an opportunity to provide input to the development of new policy.
- Provincial monitoring, reporting and evaluation will be undertaken to ensure integrated policy and harmonized standards are achieving the desired outcomes.
- Recognizes and builds upon collaborative relationships with a broader range of stakeholders including government, business and communities.

Delivery – Current System Examples

Regulatory Delivery	Oil Sands Project			Forestry Manufacturing Project		Hydro Power Project		
Assessment	EUB			NRCB		EUB	NRCB	
	SRD			ENV				
	ENV			SRD		ENV		
Hearings	EUB			NRCB		EUB	NRCB	
Appeals	EAB			EAB		EAB		
Operation	EUB	ENV	SRD	ENV	SRD	EUB	SRD	ENV
Abandonment & Reclamation	EUB	ENV	SRD	ENV	SRD	EUB	SRD	ENV

Proposed Delivery

Direction Setting Air, Land and Water

Regulatory Delivery	Energy and Minerals Projects / Activities	Water and Other Projects / Activities	Public Land, Timber and Other Projects / Activities
Assessment Hearings Appeals Operation Abandonment & Reclamation	EUB	ENV	SRD

Provincial/Regional Monitoring / Evaluation Air, Land and Water

Delivery – Current System Examples

Regulatory Delivery	Oil Sands Project			Forestry Manufacturing Project		Hydro Power Project		
Assessment	EUB			NRCB		EUB	NRCB	
	SRD			ENV				
	ENV			SRD		ENV		
Hearings	EUB			NRCB		EUB	NRCB	
Appeals	EAB			EAB		EAB		
Operation	EUB	ENV	SRD	ENV	SRD	EUB	SRD	ENV
Abandonment & Reclamation	EUB	ENV	SRD	ENV	SRD	EUB	SRD	ENV

Proposed Delivery

Direction Setting Air, Land and Water

Regulatory Delivery	Energy and Minerals Projects / Activities	Water and Other Projects / Activities	Public Land, Timber and Other Projects / Activities
Assessment Hearings Appeals Operation Abandonment & Reclamation	EUB	ENV	SRD

Provincial/Regional Monitoring / Evaluation Air, Land and Water

Delivery

Existing System - Findings

- In 16 of the 25 functional areas examined, two or three departments or agencies are involved in the assessment and operations of these projects or activities.
- Whether a project is large or small, the application review processes are complex. Many large project applications are subject to both technical and environmental assessment reviews.
- A public hearing may be required for a large, small or publicly sensitive project. This may be followed by an appeal hearing regarding an approval issued for the same project.
- Timeframes to receive development approvals can be lengthy and there is a lack of certainty as to when the review and approval process is complete.
- Industrial operators can be subject to compliance inspections from two or three regulatory agencies.
- Albertans have to deal with two or more regulatory agencies to register a concern regarding an environmental release or process incident.

Recommendation No. 2

Assign the responsibility, authority and accountability for the full lifecycle of each natural resource project / activity to a single regulator.

Features

- A single regulator will be responsible for assessment, hearings, appeals, operation, abandonment and reclamation.
- Each project/activity will be subject to one review, one decision, with one comprehensive approval and one appeal process.

- The *Environmental Protection and Enhancement Act* will continue as the enabling legislative framework for environmental assessment and environmental approvals.
- An assessment of the environmental implications of an activity will be part of each application review. The level of information required for applications will be tied to the size and nature of the decision(s) being made/required.
- Public involvement will continue as an essential element of environmental assessment.
- Sustainable Resource Development will continue to be responsible for public land management.
- Sustainable Resource Development will be responsible for regulating public land use, timber and other projects and activities, such as sand and gravel.
- Alberta Environment will be the regulatory authority for the delivery of water and other projects and activities, such as, waste management and petrochemical/chemical plants.
- The Alberta Energy and Utilities Board (EUB) will be responsible for regulating energy and minerals, including oil sands, coal mines and power plants.

Benefits

- A single organization will be responsible for the delivery of clear, understandable and timely regulatory processes that ensure decisions are fair, informed and comprehensive.
- The regulator will comply with provincial direction and will have full accountability for the entire process from beginning to end.
- Roles and expectations of the regulator, stakeholders and the government will be clarified.
- The new system will be less complex, more transparent and user focused.
- Decisions will have one avenue of appeal providing greater certainty to industry and Albertans.

Standards Development

Existing Approach-Findings

- Environmental and resource management standards are currently developed within ministries and there is limited opportunity for cross-ministry and private sector input and harmonization of standards.
- Albertans are interested in standards and are requesting government action to develop new or improved standards.

Recommendation No. 3

Sustainable resource and environmental management standards will be developed and harmonized using an integrated cross-ministry approach and a formalized stakeholder consultation process.

Features

- Ministries will champion individual standards issues using a project-based approach to ensure that work is adequately resourced and completed in a timely manner.
- Stakeholder and regulator input will be sought through a formalized consultation process.
- Any proposed cross-ministry standard will be submitted to Ministers for approval.
- Approved standards, if not embodied in regulation, will be formally communicated in writing to regulators, businesses, communities and other relevant organizations.

Benefits

- Approved standards will provide certainty to resource developers, regulators and Albertans.
- Harmonized standards will ensure more consistent assessments and operations between different regulated commodity areas.

Appeals

Existing Approach

- Each department/agency has an appeal mechanism in place. Some are internal and informal in nature; others are a formalized third party approach.

Recommendation No. 4

Each regulator will ensure that a formal, transparent, and procedurally fair appeal process is in place to review the regulator's decisions.

Features

- Notification of directly affected parties will be part of the requirements for dispute resolution.
- Appeal decisions will be made public.

Benefits

- Regulators will have a consistent approach to considering and making decisions regarding approvals and enforcement.

Information Systems

Existing Approach-Findings

- Each department/agency and industry has invested significant resources to develop information systems that include process routines, data tracking, storage and systems management.
- With a few exceptions these systems have been designed to meet specific government or industry business workflow needs with limited opportunities for public or resource user access.
- The existing systems are expensive to maintain and improvements have been deferred due to budget limitations.

Recommendation No. 5

Integrate environmental and resource information systems within government and with external information providers to enable easy access to data and information required across government, by industry and stakeholders and by the public.

Features

- Government direction setting and management will require timely information to monitor implementation of policy and standards at a provincial, regional and facility level.
- Collective improvements will improve the reporting of resource development activity to the public.
- Consistent implementation of policy and standards across the ministries and the regulators will be achieved through linked and compatible information systems.
- A consistent and common electronic portal strategy will enable a common interface to each underlying application.

- Ministries will apply consistent access, formatting, and design standards to all documents, maps and electronic tools.
- A loosely coupled, technology independent communication approach will be implemented.
- The sharing and integration of detailed resource data generated by industry will be encouraged.
- Regulators will seek opportunities to utilize electronic e-business approaches for information exchange with stakeholders.

Benefits

- Investments in existing business applications will be retained and information assets will be preserved.
- Integrated data collection across government and industry will improve the timeliness of monitoring and reporting activities.
- Simplicity will be a feature of the integrated and complementary systems.
- Knowledge management will be highly responsive to changing business needs.
- A high level of service will be provided to the customer.

Transitioning to the Future

First Steps	Intermediate Steps	Desired Future
Policy Projects		Integrated Policy
Standards Development		Harmonized Standards
Initial Realignment	Further Realignment	One Review, Approval, Appeal
Re-engineering	Streamlining	Continuous Improvement
Information Trading	Integrated Approach	Seamless Access
Issue Based	Integrated	Sustainable Development

Recommendation No. 6

A transition plan is required to implement the new integrated direction setting and management and "one regulator" delivery approaches.

- Communication plans for informing government, industry and Albertans will be a key element in transition planning.
- Transition plans will include elements of initial realignment and subsequent process re-engineering leading to improved delivery.
- The Deputy Minister of Executive Council will receive quarterly reports on results achieved.
- The transition plan will reinforce the ultimate goal of continuous improvement.
- Transition planning will recognize that some elements of the change can occur concurrently, and others which will require prerequisite work to be completed first.
- Priority public policy issues could be addressed immediately.
- One or more single regulator projects could be implemented by April 2003.
- Co-operation, not competition, will be a guiding principle.

Tab 4

CONCLUSION

Alberta's natural resources contribute to the high quality of life and the high level of education, health and social programs Albertans enjoy. Alberta's dynamic economy and the ability to maintain it over the long-term are the direct result of the sustainable management of the province's natural resources. Sound environmental and resource development policy, standards setting, monitoring, regulation and enforcement provide certainty that Alberta's resources and its air, water and land are being managed in a safe, sustainable and responsible manner for current and future Albertans.

The regulatory review provides recommendations to set the strategic direction for the future evolution of Alberta's sustainable resource and environmental management regulatory regime. The recommendations build on the experience and knowledge gained, the strengths of the current system and the opportunities presented by new technology, information and approaches. The existing legislation, with refinements, enables implementation. However, there *are* opportunities to improve approaches to implementing and managing the regulatory regime for resource development, including a move to integrated policy development and a single regulator approach.

Carrying out the recommended changes will require the collective resolve and action of individuals, communities, interest groups, industry and government. The outcome will be an effective process for the management of Alberta's resources that includes:

- Viewing natural resources and the environment as interrelated parts of a single system.
- Routinely engaging Albertans, as resource owners, in discussion of policy and standards.
- Integrated policy to ensure optimum value for the resource is obtained.
- Approval processes characterized by comprehensiveness, certainty and timeliness.
- Effective regulatory processes that achieve compliance.

Tab 5

Alberta's Commitment to Sustainable Resource and Environmental Management

March 1999

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Foreword

Our government is committed to the wise management of Alberta's natural resources and environment for the benefit of Albertans now and in the future. As we complete this last decade of the 20th century and prepare for the 21st century, we must ensure that our natural resources and environment are managed for the greatest public benefit and in a fashion that supports Alberta's economic, social and environmental aspirations.

This document reconfirms our government's commitment to sustainable development and describes the Alberta government's approach to sustainable resource and environmental management. It reiterates our vision of a vibrant economy and a healthy environment for all Albertans. The document sets out our strategy to ensure that we are able to achieve our vision. It is consistent with our government's core business areas of People, Prosperity and Preservation... ensuring a high quality of life, a healthy economy and a healthy environment.

The document supports the Alberta Advantage, which recognizes the need to balance opportunities for growth with the need to preserve and maintain our rich environment for future generations. The high quality of our air, land and water resources is increasingly recognized as part of the Alberta Advantage. This document provides the umbrella direction that brings together various initiatives such as, Special Places, the Forest Legacy, and Water Management Policy and Legislation.

This document is also our commitment to continued dialogue with Albertans. Maintaining a sound and growing economy and a diverse, healthy environment is a challenge and a priority that must be shared by all that live in our province. Understanding the problems and achieving the solutions will require the collective resolve and action of individuals, communities, interest groups, industry and government.

Our success will depend on how well we work together.

Ralph Klein
Premier
Province of Alberta

A Clear Message

Alberta has abundant and diverse public land and natural resources, and a healthy environment. As custodian of much of the province's resources, the Government of Alberta is accountable to the people of the province for the sound management of these resources, as well as for the protection of the environment.

Alberta's natural resources include air, public land, water, timber, fish, wildlife, range, oil, gas and mineral resources. These resources are managed for a variety of purposes including, petroleum and natural gas production, agricultural production, forestry and outdoor recreation.

As the province moves forward into the next millennium, there will be increasing demands on natural resources and the environment. In recognition of this, the Government affirms and renews its commitment to sustainable resource and environmental management.

To meet this commitment, we must have: a shared vision; provincial direction; effective decision-making; and an up-to-date legislative/regulatory regime.

A Shared Vision

A shared vision that clearly sets out Albertans' expectations and goals for a sustainable future.

Provincial Direction

Clear and detailed messages or direction for the public, industry and government as to how Alberta's resources are to be managed and protected.

Effective Decision-Making

A clear and understandable decision-making process that ensures that decisions are fair, informed and made in a timely manner.

Up-to-Date Legislative/Regulatory Regime

Legislation and policy that reflects modern approaches, including firm but fair enforcement mechanisms, and that are regularly reviewed and revised to ensure that they are effective and efficient.

A Shared Vision

A vision should endure. Its implementation may change and vary depending on the demands of a particular time or situation, but the vision should remain constant. This is the case in Alberta.

A vision of Alberta's sustainable development future was first articulated by Alberta's Round Table on the Economy and the Environment. Presented to the legislature by the Minister of Environment, the statement was debated and then adopted by a unanimous resolution of the Legislature in 1992. The Vision of Sustainable Development for Alberta is set out below.

Alberta, a member of the global community, is a leader in sustainable development, ensuring a healthy environment, a healthy economy, and a high quality of life in the present and future.

Relationship to Alberta's Business Plan

Since this statement was adopted, much has occurred. Alberta has grown and prospered. The economy has strengthened and diversified. The quality of life and the pride and optimism of our people has remained as strong as ever. Alberta's vision remains strong, relevant, and is consistent with the government's current business plan and its emphasis on People, Prosperity and Preservation.

People

Albertans enjoy a high quality of life based on economic, social and environmental factors. Employment opportunities and access to educational, health and social programs, flow directly from the strength of our resource based economy. Alberta's high quality air and water help to ensure the health of Albertans.

Prosperity

Alberta's dynamic economy and the ability to maintain it in the long-term are the direct result of the sustainable management of our natural resources.

Petroleum and natural gas, agriculture, forestry and mining make strong contributions to our economy. Tourism and outdoor recreation are two other growing sectors that depend on the maintenance and enhancement of our diverse and abundant resources. From this base, the economy has been able to expand into other sectors, such as financial services, health services, telecommunications and manufacturing.

Alberta's strong resource-based economy allows us to maintain a high level of educational, health and social programs.

Preservation

Albertans are proud of our natural resources. Resource development in the province is managed and regulated to ensure that our high quality environment is maintained. Alberta's natural amenities are protected and enhanced through our parks and through the protection of wildlife and natural habitats. Preserving Alberta's natural heritage ensures that Albertans are provided with a wide range of outdoor recreational opportunities. Reducing the impact of natural hazards such as fire, drought, flood and problem wildlife on people, property and resources is one of the many ways in which sustainable development is supported.

Alberta's people, dynamic economy and abundant and diverse natural resources and protected environment are all part of the Alberta Advantage. The commitment to sustainable development and managing our resources on an integrated basis will maintain and enhance this advantage.

Provincial Direction

Management of resources and the environment is a complex task. It occurs at many levels, involves many different government departments, boards and agencies, and is governed by a number of acts, regulations, codes of practice, policies and guidelines.

Strong provincial direction is required to ensure consistency in approach when initiatives, programs or legislation are considered that affects, in some material way, the management of resources and the natural environment.

Therefore, government departments, boards and agencies, with responsibilities related to the economy, natural resources or the environment, are to acknowledge, pursue and reflect the sustainable development vision in their policies, legislation, programs and day to day activities. Deputy Ministers will be held accountable for this integration through the Sustainable Development Coordinating Council. More specifically they are to ensure that:

The use of Alberta's natural resources shall be sustainable.

This means:

- Renewable resources shall be managed to ensure their long-term viability and future use potential.
- Non-renewable resources shall be managed in a manner to maximize benefits to Albertans.

The management of Alberta's natural resources shall support and promote the Alberta economy.

This is to ensure:

- Natural resources shall be developed to ensure that the optimum value for the resource is obtained and there will be a fair return to Albertans.
- Natural resources will be managed to continue to support Alberta's ability to provide Albertans with health, education and other social and economic benefits, now and in the future.

Alberta's environment shall be protected.

This includes ensuring:

- Alberta's air, land and water shall be protected and maintained for the health and enjoyment of Albertans.
- Species diversity shall be protected and maintained.

Resources shall be managed on an integrated basis.

This means:

- Resources such as trees, minerals, wildlife, water, fish, range, public land and plants, shall be managed in a manner that addresses their interdependence and recognizes that the use of one resource can affect other users and other resources.
- Environmental decisions will take into account economic impacts and economic decisions will reflect environmental impacts.

Alberta's natural resources shall be managed for multiple benefits.

This includes:

- Ensuring that natural resources shall be managed to provide a range of products and values. For example: forests shall provide (but will not be limited to) timber, wildlife habitat, hunting, and grazing opportunities and related flow of revenue; minerals shall provide (but will not be limited to) nutrients for crop and fibre production, inputs to the manufacture of products, fuel to heat homes and generate electricity, and a flow of revenue to provide education, health care and social services; and water will be available for (but will not be limited to) drinking, recreation, irrigation, industry and fish habitat.
- Ensuring access to natural resources is provided. Access includes issuance of authorizations for use as well as physical access to the resource.

Effective Decision-Making

Sound resource and environmental management requires effective decisions. Interests must be balanced. Projects must be assessed. Disputes must be resolved.

Resource and environmental management decisions in Alberta are delivered through a variety of mechanisms, including policy statements, resource specific plans, coordination processes and integrated planning. These mechanisms play important roles and continue to be of benefit. Many of the existing decision-making and planning processes are working well. What we now need is to build on this solid foundation to ensure that decisions that affect the management of our resources are effective.

Effective decision making requires:

- Sound direction on the development of resource and environmental management policies at a provincial level.

- A clear and understandable process that ensures that decisions are fair, informed, taken at the right level, and in a timely way.

Decision-making must be responsive. This means that when decisions are required, they will be made. The decision will consider provincial direction, the need for integration, and be made on the basis of the best available information. The decisions will be responsive to changing circumstances and ensure that decisions are made in a timely way without delay. Decisions should be made after consultation with Albertans, giving particular attention to people and industry that are directly affected by the decision.

Building on the current system, the following directions will be pursued on a government wide basis.

Province wide initiatives shall be integrated.

This means:

- All provincial initiatives with significant implications for resource and environmental management must take into account the direction provided above to ensure consistency with other programs and the adoption of integrated management.
- To ensure integration, all such initiatives must be reviewed by the Sustainable Development Coordinating Council and where there are conflicts or unresolved concerns, these should be dealt with by Cabinet.

Natural resource and environmental management decisions shall be carried out on an integrated basis.

This means that:

- There will be comprehensive forest and water planning, (e.g. forest management plans and water management plans).
- These two planning programs will be integrated through the development of comprehensive integrated plans for major river basins in Alberta. These regional plans will provide a level of detail between provincial policy and operational decision-making. They will also provide a context and process for stakeholder and government decisions.
- In addition to forest and water plans, there will be plans which provide specific direction and resolve resource conflicts or issues (e.g., integrated resource plans, park plans, etc.).
- The sustainable development vision and direction and integrated planning, including existing plans such as Integrated Resource Plans and other approved resource plans, will provide the context for all operational management decisions.

Decisions shall be timely, responsive and provide for the early resolution of conflicts.

This means:

- Ensuring that decision-making is responsive to changing circumstances.
- When issues arise that require a decision, it will be taken on the basis of the best information available and on the basis of a process that ensures input, integrated resource management, and review.
- All decision-making procedures will provide for the review and the early resolution of conflicts.

Resource and environmental management decisions shall include consultation.

This includes:

- Ensuring decisions on resources and environmental management are taken in a provincial context, considering broad public interest, and involve input from those communities and industries that will be most directly affected by them. A role for provincial and national interests through consultation must also be provided.
- Ensuring integrated interdepartmental review and decision-making at the regional and provincial level.
- Ensuring resource and environmental management plans are reviewed at the regional level, provide for conflict resolution and, to the extent possible, resolve all issues.
- Ensuring timely resolution of unresolved issues by the Sustainable Development Coordinating Council, or if necessary, by Cabinet.

Effective and Up-to-Date Legislative/ Regulatory Regime

Sustainable development is best achieved when the rules, roles and resolve of the key parties are clear and understood. Resource managers in industry and government need unambiguous direction and well understood procedures to ensure that the environment is protected and that the needs of the economy are met.

When requirements are not met, measures will be taken to ensure compliance. The role of government is to clearly articulate what is required (i.e., goals and objectives). Industry should be given greater responsibility in how to achieve the goals.

Over the last several years, Alberta has been a leader in regulatory reform. Laws and regulations have been simplified, clarified and consolidated. This process is ongoing and has resulted in a clearer, better understanding of the legal requirements by those most affected. The world is changing and we must continuously improve our approaches to respond to these changes.

We need now to ensure that our policies, laws and regulations reflect the principles of sustainable development and integrated resource management and that we forge a body of policy and legislation that rigorously supports economic prosperity and environmental sustainability. Accordingly, the following directions will be pursued on a government wide basis.

The policy and legislative programs of Environmental Protection, Energy, Agriculture, Food and Rural Development and Economic Development are consistent with the principles of sustainable development and the practice of integrated resource management.

Alberta's policy and legislation shall continue to incorporate new and innovative approaches.

This means:

- Placing more responsibility on the resource users for the consultation, planning and monitoring of the management and use of the resource.
- Rewarding positive conduct of those companies and organizations that have a history of sound environmental compliance, while focusing penalties for non-compliance on those who do not meet the environmental requirements.
- More use of proactive analysis, environmental assessment and audits to identify and remedy problems at the earliest stages.

The types of resource and environmental regulation will be streamlined and simplified, and the amount will be reduced without reducing the levels of protection.

This means that:

- The current regulatory reform programs of Environmental Protection, Energy, Agriculture, Food and Rural Development and Economic Development will be coordinated to ensure consistency and the elimination of overlaps and duplication.

The current policies, guidelines, standards, and other guidance documents of Environmental Protection, Energy, Agriculture, Food and Rural Development and Economic Development shall be reviewed.

This will ensure that:

- Unnecessary, out-of-date and redundant policies and other guidance documents are eliminated.
- The language and approach taken in these documents is consistent within and among departments.

The legislation and policies that govern resources and the environment shall be made readily accessible to industry, communities and the public.

This requires that:

- The departments of Environmental Protection, Energy, Agriculture, Food and Rural Development and Economic Development will work together to develop a consolidated inventory of all of the regulatory requirements that affect the management of our natural resources and the environment.
- All of the key legislation and policies will be made available electronically through government Internet sites.
- The four lead departments (Environmental Protection, Energy, Agriculture, Food and Rural Development and Economic Development) will complete an inventory of all requirements and approvals.

Compliance with Alberta's resource and environmental management requirements shall be assured.

This means:

- Encouraging adherence to standards through the use of compliance inspections, periodic reviews and audits.
- Making greater use of clearer and stronger penalties and sanctions.
- Ensuring that compliance standards are clearly set out and understood.

Government of Alberta
Resource Development Regulatory Review
April 2002

1. Mandate

To undertake a fundamental review of the environment, energy and resource regulatory framework used by the Government of Alberta to develop and manage Alberta's natural resources.

2. Key Outcome

A streamlined, efficient and effective delivery of regulatory processes.

3. Key Objectives

a. Improve delivery of regulations
b. Improve Alberta's business climate.
c. Reduce cost of regulatory requirements over time.
d. Maintain Alberta's high environmental standards.

4. Scope

Regulatory and administration processes delivered by Alberta Energy, the Energy and Utilities Board, the Ministries of Environment and Sustainable Resource Development.

Project Office:

11th Floor, North Tower Petroleum Plaza
9945-108th Street
Edmonton, Alberta T5K 2G6

Standing Policy Committee on Energy and Sustainable Development

Membership

Mark Hlady	(Chair) MLA – Calgary-Mountain View
Hon. Lorne Taylor	(Vice Chair) Minister of Environment
Hon. Murray Smith	Minister of Energy
Hon. Mike Cardinal	Minister of Sustainable Resource Development
Moe Amery	MLA - Calgary-East
LeRoy Johnson	MLA - Wetaskiwin/Camrose
Mel Knight	MLA - Grande Prairie/Smoky
Jon Lord	MLA - Calgary-Currie
Gary Masyk	MLA – Edmonton-Norwood
Luke Ouellette	MLA – Innisfail/Sylvan Lake
Janis Tarchuk	MLA – Banff-Cochrane
Premier Ralph Klein	Ex. Office Member

Terms of Reference:

The Committee will review and make recommendations on policies, programs and legislation and hear public and private submissions pertaining to energy, environment and sustainable resources development. It will also monitor existing programs, services and legislation. In addition, the Committee's deliberations will include consideration of the budgetary implications of each proposal as well as implementation and communications strategies.

The Committee will also review the budgets of:

Energy
Environment and
Sustainable Resource Development

annually in order that Committee members have the opportunity to provide comments and suggestions for considerations by the Ministers in preparation of the upcoming annual budget and three-year business plans.

Cabinet Policy Coordinator: Kristine Hrychuk

05/01

Tab 6

SINGLE REGULATOR PROPOSAL

Environment/NRCB

Municipal Drinking Water Facilities	Municipal Waste Water Treatment	Commercial /Industrial Processing	Municipal Commercial/ Industrial Hazardous Waste Management	Water Rights Allocation and Use	Petrochemical/ Chemical/ Refinery	Major Water Development Projects

Sustainable Resource Development/NRCB

Commercial, Industrial and Recreational Activities	Grazing on Public Lands	Geophysical and Mineral Exploration	Sand and Gravel	Timber Quota's, Licenses and Permits	Forest Management Agreements
Confined Feeding Operations	Major Commercial Recreation	Forestry - Major Manufacturing Plants	Forestry - Pulp Mills		

Energy/EUB/SRD

Mineral Rights Allocation and Management	Gas Plants, Wellsites, Pipelines, Batteries, Oil Field Waste Management	Power Plants - Coal, Gas, Co-Gen and Waste	Power Plants - Hydro	Transmission Lines	Oil Sands Development	Coal Mining and Processing
Metallic/ Industrial, Other Mineral Mining						

SINGLE REGULATOR RESOURCING

No Resource Transfer - Continuous Improvement

Function	From	To
Mineral Rights Allocation and Management		Energy
Geophysical and Mineral Exploration		SRD
Grazing on Public Lands		SRD
Commercial, Industrial and Recreational Activities		SRD
Municipal Commercial/Industrial Hazardous Waste Management		ENV
Municipal Drinking Water		ENV
Municipal Waste Water Treatment		ENV
Commercial/Industrial Processing		ENV
Confined Feeding Operations		NRCB

Limited Resource Reallocation - Re-engineering

Function	From	To
Water Rights Allocation and Use	ENV SRD	ENV & Regulators
Timber Quota's, Licenses and Permits	SRD ENV	SRD
Forest Management Agreements	SRD ENV	SRD
Petro-chemical/Chemical/Refinery	ENV EUB	ENV
Major Water Development Projects	ENV NRCB SRD	NRCB
Major Commercial Recreation	SRD ENV NRCB	SRD/NRCB

Resource Transfer - Re-engineering

Function	From	To
Gas Plants, Wellsites, Pipelines, Batteries, Oil Field Waste Management	EUB ENV SRD	EUB
Sand & Gravel	SRD ENV	SRD
Power Plants – Coal, Gas, Co-Gen, Waste	EUB ENV SRD NRCB	EUB
Power Plants - Hydro	EUB ENV SRD NRCB	EUB
Transmission Lines	ENV EUB SRD	EUB
Oil Sands Development	EUB ENV SRD	EUB
Coal Mining and Processing	EUB ENV SRD	EUB
Metallic/Industrial, Other Mineral Mining	ENV SRD NRCB	EUB
Forestry – Pulp Mills	ENV SRD NRCB	SRD/NRCB
Forestry – Major Manufacturing Plants	SRD ENV NRCB	SRD/NRCB

SINGLE REGULATOR IMPLEMENTATION

Ministry	Currently One Regulator	First Phase	Second Phase	Third Phase
Environment				
	Municipal Drinking Water Facilities			
	Municipal Waste Water Treatment			
	Commercial/Industrial Processing			
	Municipal Commercial/Industrial Hazardous Waste Management			
		Water Rights Allocation and Use - Water Strategy	Water Rights Allocation and Use – River Basin Plans	Water Rights Allocation and Use -Transfer to Regulators
		Petrochemical/Chemical/ Refinery		
				Major Water Development Projects
Sustainable Resource Development				
	Commercial, Industrial and Recreational Activities			
	Grazing on Public Lands			
	Geophysical and Mineral Exploration			
	Confined Feeding Operations			
		Sand and Gravel – Strategy and transfer to single regulator		
			Timber Quota's, Licenses and Permits	
			Forest Management Agreements	
				Forestry – Major Manufacturing Plants
				Major Commercial Recreation
				Forestry - Pulp Mills
Energy/EUB				
	Mineral Rights Allocation and Management			
		Metallic/Industrial and Other Mineral Mining – Establish Regulatory Process	Establish delivery mechanism	
		Oil Sands Development - EUB One Assessment and Approval Pilot	EUB Implementation of One assessment and Approval Approach	
		Transmission Lines		
		Wellsites, Pipelines, Batteries – Reclamation Certification	Gas Plants, Wellsites, Pipelines, Batteries Approvals and Operations	
		Oil Field Waste Management – Waste Definition		
			Power Plants – Coal, Gas, Co-Gen and Waste	
			Coal Mining and Processing	
				Power Plants – Hydro

Example of Details of Implementation Plan

Sand and Gravel

1. **Develop Provincial Aggregate Resource Strategy (3-4 Months)**
   - Protection and development of currently identified aggregate resources
   - Identification of key elements of regulatory framework, including municipal and provincial requirements
   - Consult with Municipalities, Aggregate Resource Development Taskforce and other Stakeholders
2. **Develop Regulatory Framework for Implementation (3 Months, Some Overlap with No. 1)**
   - Feedback from Aggregate Resource Development Taskforce and other Stakeholders
   - Determine legislation/regulation amendments
3. **Transfer Regulatory Authority and Responsibility to SRD**
   - Define and formalize accountabilities
   - Finalize Budget and Resource allocation decision/approval
   - **Commence Receiving Applications (6 months from Start Date of No. 1)**
4. **Adjust and Refine Strategy, Policy and Regulatory Framework**
   - Formal review (12 months after implementation)

Tab 7

Regulating Resource Development
Current Situation Direction, Management and Delivery December 2, 2002

PROJECTS AND ACTIVITIES

DIRECTION SETTING AND MANAGEMENT	Policy & Standards Monitoring & Evaluation, Provincial Reporting, Tenure, Air, Water, and Land	Standing Policy Committee on Energy and Sustainable Development												
Resource Advocates	Resource Development Agencies	Energy ENV EUB SRD	Energy ENV EUB SRD	Energy ENV EUB SRD	Energy EUB ENV SRD	Energy EUB ENV SRD	Energy ENV SRD	Energy EUB ENV Econ. Dev.	SRD ENV	SRD ENV	SRD Economic Development	SRD ENV Economic Development	AFRD	ENV
Resource Development	Functional Details	Power Plants - Coal, Gas, Co-Gen and Waste	Power Plants - Hydro	Trans-mission Lines	Oil Sands Develop-ment	Coal Mining	Metallic/ Industrial, Other Mineral Mining	Petro-chemical/ Chemical/ Refinery	Forest Management Agreements	Forestry - Pulp Mills	Forestry - Major Manufacturing Plants	Major Commercial Recreation	Confined Feeding Operations	Major Water Development Projects
DELIVERY	Regulatory Agencies	ENV SRD EUB NRCB	EUB ENV SRD NRCB	ENV EUB SRD	EUB ENV SRD	EUB ENV SRD	Energy SRD ENV NRCB	ENV EUB	SRD ENV	SRD ENV NRCB	SRD ENV ENV NRCB	SRD ENV NRCB	NRCB	NRCB
Public Land Surface Approval	Surface Approval, Surface Access	SRD	SRD	SRD	SRD	SRD	SRD		SRD	SRD	SRD	SRD		SRD
Assessment	Project Assessment, Project/Activity Approval, Environmental Assessments	EUB ENV SRD	EUB ENV SRD NRCB	EUB ENV SRD	EUB ENV SRD	EUB ENV SRD	Energy ENV SRD NRCB	ENV EUB	SRD ENV	ENV SRD NRCB	SRD ENV NRCB	SRD ENV NRCB	NRCB	NRCB ENV SRD
Hearings/Appeals		EUB/ NRCB/EAB	EUB/ NRCB/EAB	EUB/ SRB	EUB/ EAB	EUB/ EAB	EAB/ NRCB	EUB/ EAB	EAB	NRCB/EAB	NRCB/EAB	NRCB	NRCB	NRCB
Operation	Data Collection & Reporting, Monitoring, Inspections, Enforcement	ENV EUB SRD	ENV EUB SRD	ENV EUB SRD	EUB ENV SRD	EUB ENV SRD	ENV SRD	ENV EUB	SRD ENV	SRD ENV	SRD ENV	SRD ENV	NRCB	SRD Transportation
Abandonment and Reclamation	Abandonment Notification or Approval, Reclamation Inspection and Certification Liability Management	ENV EUB SRD	ENV EUB SRD	ENV SRD EUB	EUB ENV SRD	EUB ENV SRD	ENV SRD	ENV EUB	SRD ENV	SRD ENV	SRD ENV	SRD	NRCB	SRD Transportation

Current Situation Direction, Management and Delivery December 2, 2002

PROJECTS AND ACTIVITIES

DIRECTION SETTING AND MANAGEMENT	Policy & Standards Monitoring & Evaluation, Provincial Reporting, Tenure, Air, Water, and Land	Standing Policy Committee on Energy and Sustainable Development											
Resource Advocates	Resource Development Agencies	Energy SRD	Energy SRD EUB ENV	Energy SRD	SRD ENV	SRD/ AFRD	SRD ENV	SRD	ENV SRD	ENV	ENV	ENV	ENV
Resource Development	Functional Details	Mineral Rights Allocation and Management	Gas Plants, Wellsites, Pipelines, Batteries, Oil Field Waste Management	Geophysical and Mineral Exploration	Timber Quota's, Licenses and Permits	Grazing on Public Lands	Sand and Gravel	Commercial, Industrial and Recreational Activities	Municipal Commercial/ Industrial Hazardous Waste Management	Municipal Drinking Water	Municipal Waste Water Treatment	Water Rights Allocation and Use	Commercial/ Industrial Processing
DELIVERY	Regulatory Agencies	Energy SRD	EUB ENV SRD	Energy SRD	SRD ENV	SRD	SRD ENV	SRD	ENV	ENV	ENV	ENV SRD	ENV
Public Lands Surface Approval	Surface Approval, Surface Access		SRD	SRD	SRD	SRD	SRD	SRD	SRD			SRD	
Assessment	Project Assessment, Project/Activity Approval, Environmental Assessments	Energy SRD	Energy EUB ENV SRD	SRD Energy	SRD ENV	SRD	SRD ENV	SRD	ENV	ENV	ENV	ENV SRD	ENV
Hearings/Appeals			EUB/SRB/ EAB		EAB		EAB		EAB	EAB	EAB	EAB	EAB
Operation	Data Collection & Reporting, Monitoring, Inspections, Enforcement	Energy	EUB ENV SRD	SRD	SRD ENV	SRD	SRD ENV	SRD	ENV	ENV	ENV	ENV SRD	ENV
Abandonment and Reclamation	Abandonment Notification or Approval, Reclamation Inspection and Certification Liability Management		EUB ENV SRD	SRD	SRD ENV	SRD	SRD ENV	SRD	ENV	ENV	ENV	ENV SRD	ENV

Tab 8

Future Direction, Management and Delivery December 2, 2002
PROJECTS AND ACTIVITIES

DIRECTION SETTING AND MANAGEMENT	Policy & Standards	Alberta's Commitment to Sustainable Resource and Environmental Management														
	Monitoring & Evaluation, Provincial Reporting, Tenure, Air, Water, and Land	Standing Policy Committee on Energy and Sustainable Development														
		Integrated Policy Development and Harmonized Standards														
		Energy, Environment, Sustainable Resource Development, Agriculture, Food and Rural Development														
		Provincial and Regional Strategies for Resource Development														
Resource Advocate	Lead Resource Development Agency/Resource Rights Allocation	Energy	Energy	Energy	Energy	Energy	Energy	Energy	Energy	Energy	ENV	ENV	ENV	ENV	ENV	ENV
Resource Development		Mineral Rights Allocation and Manage-ment	Gas Plants, Wellsites, Pipelines, Batteries, Oil Field Waste Management	Power Plants - Coal, Gas, Co-Gen and Waste	Power Plants - Hydro	Trans-mission Lines	Oil Sands Develop-ment	Coal Mining and Processing	Metallic/ Industrial, Other Mineral Mining	Petro-chemical/ Chemical/ Refinery	Municipal Commercial/ Industrial Hazardous Waste Manage-ment	Municipal Drinking Water Facilities	Municipal Waste Water Treatment	Water Rights Allocation and Use	Commercial /Industrial Processing	Major Water Develop-ment Projects
DELIVERY	Lead Regulatory Agency	Energy	EUB	EUB	EUB	EUB	EUB	EUB	EUB	ENV	ENV	ENV	ENV	ENV	ENV	NRCB
Public Lands Surface Approval	Surface Approval, Surface Access	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD			SRD		SRD
Assessment	Project Assessment, Project/Activity Approval, Environmental Assessments	Energy	EUB	EUB	EUB	EUB	EUB	EUB	EUB	ENV	ENV	ENV	ENV	ENV	ENV	NRCB
Hearings/Appeals			EUB/SRB	EUB	EUB	EUB/SRB	EUB	EUB	EUB	EAB	EAB	EAB	EAB	EAB	EAB	NRCB
Operation	Data Collection & Reporting, Monitoring, Inspections, Enforcement	Energy	EUB	EUB	EUB	EUB	EUB	EUB	EUB	ENV	ENV	ENV	ENV	ENV	ENV	Transport-ation
Abandonment and Reclamation	Abandonment Notification or Approval, Reclamation Inspection and Liability Management		EUB	EUB	EUB	EUB	EUB	EUB	EUB	ENV	ENV	ENV	ENV	ENV	ENV	Transport-ation

Future Direction, Management and Delivery December 2, 2002

PROJECTS AND ACTIVITIES

DIRECTION SETTING AND MANAGEMENT	Policy & Standards Monitoring & Evaluation, Provincial Reporting, Tenure, Air, Water, and Land	Alberta's Commitment to Sustainable Resource and Environmental Management Standing Policy Committee on Energy and Sustainable Development Integrated Policy Development and Harmonized Standards Energy, Environment, Sustainable Resource Development, Agriculture, Food and Rural Development Provincial and Regional Strategies for Resource Development									
Resource Advocate	Lead Resource Development Agency/Resource Rights Allocation	SRD	SRD/ AFRD	SRD	Energy	SRD	SRD	SRD	SRD/Econ. Dev	Econ. Dev.	AFRD
Resource Development	Operational Details	Timber Quota's, Licenses and Permits	Grazing on Public Lands	Sand and Gravel	Geophysical and Mineral Exploration	Commercial, Industrial and Recreational Activities	Forest Management Agreements	Forestry - Pulp Mills	Forestry - Major Manufacturing Plants	Major Commercial Recreation	Confined Feeding Operations
DELIVERY	Lead Regulatory Agency	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	NRCB	NRCB
Public Lands Surface Approval	Surface Approval, Surface Access	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	
Assessment	Project Assessment, Project/Activity Approval, Environmental Assessments	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	NRCB
Hearings/Appeals								NRCB	NRCB	NRCB	NRCB
Operation	Data Collection & Reporting, Monitoring, Inspections, Enforcement	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	NRCB
Abandonment and Reclamation	Abandonment Notification or Approval, Reclamation Inspection and Certification Liability Management	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	NRCB

Future Direction, Management and Delivery December 2, 2002

PROJECTS AND ACTIVITIES

DIRECTION SETTING AND MANAGEMENT	Policy & Standards Monitoring & Evaluation, Provincial Reporting, Tenure, Air, Water, and Land	Alberta's Commitment to Sustainable Resource and Environmental Management Standing Policy Committee on Energy and Sustainable Development Integrated Policy Development and Harmonized Standards Energy, Environment, Sustainable Resource Development, Agriculture, Food and Rural Development Provincial and Regional Strategies for Resource Development									
Resource Advocate	Lead Resource Development Agency/Resource Rights Allocation	SRD	SRD/ AFRD	SRD	Energy	SRD	SRD	SRD	SRD/Econ. Dev	Econ. Dev.	AFRD
Resource Development	Functional Details	Timber Quota's, Licenses and Permits	Grazing on Public Lands	Sand and Gravel	Geophysical and Mineral Exploration	Commercial, Industrial and Recreational Activities	Forest Management Agreements	Forestry - Pulp Mills	Forestry - Major Manu-facturing Plants	Major Commercial Recreation	Confined Feeding Operations
DELIVERY	Lead Regulatory Agency	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	NRCB	NRCB
Public Lands Surface Approval	Surface Approval, Surface Access	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	
Assessment	Project Assessment, Project/Activity Approval, Environmental Assessments	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	NRCB
Hearings/Appeals								NRCB	NRCB	NRCB	NRCB
Operation	Data Collection & Reporting, Monitoring, Inspections, Enforcement	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	NRCB
Abandonment and Reclamation	Abandonment Notification or Approval, Reclamation Inspection and Certification Liability Management	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	SRD	NRCB

Tab 9

Transfer of Authority to Regulators

Accountability refers to the achievement of results and outcomes
Responsibility refers to the obligation or duty to act on a particular situation
Authority refers to the legal mandate or right to make decisions or take action

There are three levels of accountability in government

1. The relationship between the public and the elected government
2. The accountability of a Minister for his department and those who report to him
3. The accountability within a Ministry (between staff and the Minister)

Accountability involves

- A responsibility for outcomes and results under certain conditions
- An obligation to report on performance (i.e. the achievement of outcomes and results and how the responsibility was discharged).
- Monitoring to confirm outcomes and results were achieved
- Possible sanctions for non-performance (i.e. non-achievement of results)

Transfer Mechanism

The Environmental Protection and Enhancement Act (EPEA) and the Water Act are the enabling legislative framework for environmental assessment and environmental approvals. Where regulatory review changes the administration of EPEA and the Water Act the following approach will be used to implement the transfer.

1. Give regulators such as the Energy and Utilities Board (EUB) responsibility for those sections of the EPEA and the Water Act that govern and apply to activity in question.

2. Under Sec 18 of EPEA, transfer the administration using a regulation and a memorandum of understanding (MOU):
    a. The regulation would set out the parts of EPEA and Water Act that the regulator would administer. It would include the ability to designate a regulatory agency or an employee of the regulator as a Director under EPEA or Water Act.
        i. Legislative amendments are recommended to ensure absolute process certainty, consistency among administrative procedures and prevent any legal challenge.
    b. The MOU would establish the accountability framework for the regulator including the oversight authority being retained by Alberta Environment. It would address items such as
        i. Outcomes and results
        ii. Performance measures
        iii. Monitoring and reporting

The extent of the transfer would have to be agreed to by the Minister of Environment and the regulator. Legal Services/Legislative Counsel would be involved in the preparation of the precise wording to execute the agreement and regulation Ultimate authority to address unacceptable outcomes would remain with the Minister of Environment. This would be understood and accepted by the regulator and set out in the transfer documentation.

POLICIES, STANDARDS AND DIRECTIVES FOR DECISION-MAKERS

Policies: are general directions with respect to the exercise of discretion.

Policies are normally broad, conceptual documents that outline either approaches or considerations to be taken into account by decision-makers or both. There are a number of different kinds of policy including administrative policy, program policy, business policy, and societal outcome policy. Policies do not act as constraints on the exercise of discretion but inform the exercise of discretion. A statutory decision-maker is free to deviate from policy when the circumstances in a particular case justify the deviation.

Policies may be established at various levels and address various topics, from administrative process matters to proclaimed Government policies which are intended to inform all government decision-makers (i.e. an integrated resource management plan).

Standards: are policies that deal with specific matters.

For example, the standard for lead in soil permitted in residential property is 140 parts per million. This standard is properly viewed in law as a policy. It has no legal effect, however, it is generally assumed that the adoption of a standard will inform decision-makers and, due to its narrow focus, there should be fewer appropriate opportunities for decision-makers to diverge from the standard.

Directives: are very specific policy instructions to decision-makers respecting how they are to make their decisions.

Rather than informing decisions, directives are decisions. Directives are properly only made to decision-makers who are not statutory decision-makers. Directives cannot be validly issued to statutory decision-makers, for to do so would improperly fetter the decision-maker.

Legal Effect: Policies, standards, or directives are not law and are therefore not legally binding.

Although policies are not law, an applicant and affected persons are entitled to fairness in the decision making process. This includes a reasonable expectation that a decision-maker will properly consider all applicable policies. Failure to follow a policy may be the basis for judicial review of a decision if the deviation from policy cannot be reasonably justified. There may be employment or "business"

consequences for a decision-maker who does not comply with policies.

Communication:

To be effective policies should be reduced to writing and communicated to both the decision-maker and potential applicants. As policies do not amount to law there is no specific requirement as to how they are to be formulated or communicated. As a matter of practise, most decision-makers have policies approved and adopted at senior levels, communicated in writing (electronically or otherwise) to all employees involved in the decision-making process, and communicated to stakeholders by mailing, website, or some other practical method of distribution. It is recommended that all cross-ministry policies be approved by at least the Standing Policy Committee on Energy and Sustainable Development and then communicated in writing to all affected departments. Cross-ministry policies should be placed on the government website to ensure all applicants and decision-makers have access to them.

Law: Any matters that are intended to establish binding requirements should be given legal effect and not be imposed as policy. They should be established as law either through legislation, regulation, or by incorporation by regulation. For example a power plant emission standard adopted by Alberta Environment will inform, but not bind, a director when he is issuing an approval. If Environment wants the director to be bound by the standard it needs to be incorporated by regulation.

Accountability:

Departments and agencies making decisions should be accountable for the decisions made and for their application of government policies. This is particularly important if another department, such as Environment, is responsible for setting policies and the outcomes that flow from the decisions of another department. In the case of Environmental Protection and Enhancement Act [EPEA] approvals, where Environment is responsible for the ultimate environmental outcome, this could be accomplished by having appropriate terms and conditions included in the regulation or Memorandum of Understanding transferring responsibility to the decision-maker under s. 18 of EPEA. These terms and conditions should include matters such as a requirement to consider Environment policies properly, reporting on related matters, and the right of Alberta Environment to withdraw the transfer if policies are not being properly considered and applied by the decision-maker.

PROPOSED DECISION-MAKING AND MEANS OF COMMUNICATIONS

Policies:

- High level, societal outcome, results oriented goals
- Made by Ministers, following consultation with Cabinet,
- Communicated to all decision-makers initially through electronic means, followed in writing
- Policies publicly available through the internet

Standards

- More detailed program information respecting specific issues and acceptable environmental outcomes
- Made by Ministers following consultation with Cabinet
- Communicated in writing and electronically to all decision-makers
- Standards publicly available through the internet

Directives

- Very specific information about decisions dealing with administrative and business matters
- Made by the regulating agency
- Communicated internally by the regulating agency
- Not necessarily publicly available

Tab 10

Examples of Potential Cross Ministry Policy Initiatives

GENERAL

1. Climate Change & Air Quality
2. Long-term Energy Strategy Options
3. Sustainable Water Supply/Demand Management
4. Industry/Public Health Risks
5. Resource Access/Public Land Management
6. Resource Development Priorities
7. Aboriginal Consultation on Resource Development
8. System-wide Monitoring & Reporting
9. Federal Role

SPECIFIC

1. Electricity Imports and Exports
2. Sour Gas Development
3. Coal bed Methane/ Technology and Tenure
4. Clean Coal Technologies
5. Enhanced Oil Recovery from Reservoirs/Efficiency
6. Oil Sands Crude Oil Upgrading/Refining Capacity
7. Oil Sands Mining/Long-term Risk Management and Liability
8. Commercial Timber Sustainability in Reclaimed Oil Sands Mining Areas
9. Natural Gas Liquids/Long-term Supply
10. Sustainable Forestry/Certification
11. Federal Role/Endangered Species and Biodiversity
12. Aggregates (Sand and Gravel)
13. Sustainability Indicators

SUMMARY OF PROJECTS AND ACTIVITIES

Mineral Rights Allocation and Management

Energy is responsible for the disposition and management of mineral rights and the collection of royalties. Most of the petroleum, natural gas and oil sands rights are disposed of by way of public sale/tender. Coal rights are also allocated by way of public sale/tender but demand is such that no sale has been held for several years. The Minister of Energy is provided, under Section 16 of the Mines and Minerals Act, with the authority to enter into a contract with a holder of a lease, licence or permit. The department undertakes to manage the contract obligations that flow from the contract. The posting cycle for the acquisition of new P&NG agreements is 17 weeks. A posting request is checked for rights availability and existing access conditions are applied. The requests are reviewed by an interdepartmental committee that can add new conditions or recommend rights not be posted. The schedule of Public Offering is published 8 weeks prior to sale. The "sale' of P&NG rights takes place every two weeks through a process of sealed bid tenders. A sale will contain between 200 and 400 parcels of P&NG rights.

The **EUB** requires a well licence applicant to verify that it holds the appropriate mineral rights. **Energy** reviews approved well licences to confirm that the holder has the appropriate mineral rights and is not in trespass. The **EUB** regulates the technical and environmental aspects of the use of well bores. **Energy** will approve the use of the formation for disposal when the rights are undisposed crown. The approval process includes a check for any mineral rights postings in the same location or near by and will verify that the disposition will not negatively impact future potential hydrocarbon recovery in that formation [zone].

During the life of the agreement, Energy conducts tenure administrative processes and relies heavily on data provided by the **EUB**. A P&NG lease must be reviewed at the end of its primary term to determine if it has been proven productive. A licence agreement must be drilled if it is to be extended to its intermediate term. Royalty collection, closely tied to the lease contract, is now highly automated. In the future it will rely heavily on industry reporting and automatic invoicing.

Energy dedicates significant resources to the process of royalty collection and audit. The *Petroleum Registry of Alberta*, a shared, interactive, secure database, accessible through the Internet went on line in October 2002. The Petroleum Registry incorporates newly designed business processes that will improve the quality and management of key volume, royalty and infrastructure information.

Seismic activity, issuance of surface leases, allocation of water for drilling operations, management of waste and contamination, reclamation and the drilling of wells required by various Tenure processes, are all managed by other agencies.

Energy is examining e-business opportunities to provide industry with easier access to information about the nature of the mineral rights, availability of rights, access restrictions, on-line requesting of mineral rights and ultimately on-line bidding capability.

Gas Plants, Wellsites, Pipelines, Batteries, Oilfield Waste Management

There are 456 sweet gas plants, 247 sour gas plants, including numerous natural gas compressors and pumping stations, over 110 000 operating wells, 15 911 oil batteries and association satellites and over 300 000 kilometres of pipelines that form the core of Alberta's energy infrastructure. The implementation of a single agency approach for the decision-making and regulation of gas plants, well sites, pipelines, batteries and oilfield waste management would include public and other notification, environmental and technical assessment, public hearings and all energy and environmental approvals, and would be consistent with end to end responsibility.

By transferring authority to the EUB to consider EPEA and Water Act requirements, and replacement of EAB appeal process with the EUB decision process, consolidation of regulatory authority and elimination of regulatory inconsistency would be achieved. Included in the approach to implement a single regulatory agency for well sites, pipelines, batteries and oilfield waste management, should be consideration of ways to increase capacity of reclamation certification (or equivalent) processes and the division of responsibilities for oilfield waste management to see if improvements can be made to simplify administration of existing requirements.

Federal/provincial and provincial/municipal relationships can be better managed through a single point of contact. Further work is required with Municipal Affairs, AUMA, AAMDC to resolve conflicts and inconsistent application of municipal land use/development permits and appeals.

Power Plants- Coal, Gas, Co-Gen and Waste

Implement a single decision-maker approach that would include public notice, environmental and technical assessment, public hearings and all energy, environmental and historical resources approvals. Further work required with Municipal Affairs, AUMA and AAMDC to resolve conflicts and inconsistent application of municipal land use/development permits and appeals. Federal/provincial and provincial/municipal relationships can be better managed through a single point of contact.
New standards for thermal electric power plants are being developed through CASA. Canada-wide standards are currently under development for mercury emissions from power plants. An enhanced provincial air monitoring program is under development through a comprehensive network of air shed alliances along with improved public availability of air quality data.

Power Plants- Hydro

Implement a single decision-maker approach that would include public notice, environmental and technical assessment, public hearings, and all energy, environmental and historical resources approvals. Currently an Act of the Alberta Legislature is required pursuant to Section 9[9] of the Hydro and Electric Energy Act before the EUB construction approval is granted. In those situations where the hydro power plant is part of a new water management project that includes a dam, reservoir or barrier that exceeds 15 metres, a new canal capable of conducting 15 cubic metres or more per second, a diversion capable of diverting 15 cubic metres or more per second, an approval from the NRCB must be obtained. Currently a joint application and a joint review panel are used by the EUB and NRCB to consider and issue a joint approval. Federal/provincial and provincial/municipal relationships can be better managed through a single point of contact.

Transmission Lines

Implement a single decision-maker approach that would include public notice, environmental and technical assessment, public hearings, and all energy, environmental and historical resources approvals. The potential impacts on land use, soils, water, fish and wildlife, socioeconomic, health and safety are believed to be small, with a few exceptions. Areas where serious consideration of health and land use implications is warranted are alignments in or near urban areas. For wildlife issues, impacts may be significant when alignments cross lands sensitive to disturbance, critical habitats, or water bodies. Aesthetics are likely to be an important consideration at crossings of water bodies, in mountain/foothills regions and in urban and recreation areas. It will be important to integrate health and historical resources issues into the regulatory process.

Since the mid-1980's there has not been any significant addition of transmission capacity in Alberta. ESBI Alberta Ltd. [The Transmission Administrator] is currently reviewing options for upgrading transmission capacity between Edmonton and Calgary and Fort McMurray and southern Alberta as well as interconnection upgrades of the 500 kV lines in the Edmonton area.

Oil Sands Development

Implement a single decision-maker process that would include public notice, environmental and technical assessment, public hearings, and all energy, environmental and historical resources approvals. 5 well-established aspects must be modified and integrated into a single comprehensive corporate approval i.e.

- Oil sands approval currently issued by the EUB. The review covers the total area in which operations (mining or in-situ) may be developed and includes an assessment of the conceptual extraction plan, environmental impacts and

conservation issues. Bitumen upgrading facilities may also be considered if they are located near the mine site.

- Environmental approval currently issued by AENV
- Water approvals currently issued by AENV
- Surface approval currently issued by SRD
- Historical resources assessment carried out by Community Development

Enforcement of legislation (e.g. Oil Sands Conservation Act, Environmental Protection and Enhancement Act, Water Act. Public Lands Act and Historical Resources Act) must be carried out consistently, efficiently and credibly.

Alberta has considerable experience with both surface mining and in-situ oil sand recover projects. EUB, ENV and SRD regulatory processes are coordinated and agencies work together on major projects. Frequently, upgrading occurs away from the mine site and separate regulatory applications are filed, often as part of a comprehensive package of applications.

Separate applications may be needed for activities such as electric power plants, energy transmission lines, subsurface disposal of products or waste waters and pipelines transporting fuel, water or products to or from the project may also be needed. . Mineral rights must be acquired and exploration carried out before filing development applications, these processes may require modification or consolidation as part of the move to a single decision-maker process.

Issues differ for mining and in-situ projects but land use, water requirements, environmental impacts and resource recovery efficiency are common themes.

Coal Mining and Processing

Implement a single decision-maker process that would include public notice, environmental and technical assessment, public hearings, and all energy, environmental and historical resources approvals. There is currently a two-step approval process managed by the EUB that allows for the issuance of a Mine Permit. The review covers the total area in which mining operations may be developed and includes an assessment of the conceptual mine plan, environmental impacts and conservation issues. A proposed coal processing plant and its impacts are also considered. The second step involves the review of licence applications for development of pits, dumps and tailings design.
Alberta's draft Mineral Development Strategy that would include oil sands, coal and non-energy minerals recommended that an integrated Mining Regulation be developed.
A project to develop an integrated Mining Act is currently being scoped in consultation with the Alberta Chamber of Resources. If the scoping determined that a new Act was required for the Mining Regulation it will take time to go through the legislative process. One of the options is to develop an integrated Mining Regulation under Section 5 of the Mines and Minerals Act.

Metallic/Industrial and Other Mineral Mining

Alberta's energy minerals, oil, oil sands, natural gas and coal have been extensively mapped, explored and developed.
In contrast, little is known about the potential for non-energy mineral development such as base and precious metals, gemstones and industrial minerals. The base metals would include copper, zinc and uranium. Precious metals would include gold and platinum. Gemstones such as diamonds are known to occur. The industrial minerals category includes limestone, sandstone, barite, lime and salt.

Alberta's Throne Speech for 1999/2000 committed the government to:

- Develop a policy on non-energy minerals;
- Streamline the administration of mining regulations;
- Improve geological information on minerals.

The Alberta Ministry of Energy assembled a cross-ministry team to establish the strategies for meeting these commitments. The result was *Alberta's Mineral Development Strategy – A Strategic Framework, June 2002,* which has been presented to the Standing Policy Committee on Energy and Sustainable Development and endorsed.
The goals of this mineral development strategy are to:

1. Implement a comprehensive Geoscience Knowledge Initiative;
2. *Establish a regulatory, environmental and fiscal framework for exploration and development that is effective, efficient and fair.*
3. Implement innovative communication, consultation and community development processes;
4. Ensure that Alberta's infrastructure supports and facilitates responsible development of the mineral industry.

This strategic framework focuses on attracting increased exploration, while laying the groundwork for responsible mine development in the longer term. Access to Crown lands outside designated or protected areas must be available within a framework of integrated land and resource use policies. It will also be important to clarify and address Aboriginal issues that affect surface access.

Alberta Department of Energy issues mineral rights for most non-energy minerals under the *Metallic and Industrial Minerals Regulation of the Mines and Minerals Act.* The regulation provides for two types of agreements: permits for exploration and leases for development. Reviews of the mineral tenure and royalty regulations have been undertaken to ensure that new opportunities such as diamond mining and exploration can be accommodated. An approval under the *Metallic and Industrial Minerals Exploration Regulation* must also be obtained from SRD before exploration may be undertaken.
The NRCB has the authority to review metallic or industrial mineral projects where Alberta Environment has ordered an environmental impact assessment report. The NRCB currently has no resources or expertise to review and regulate the industry from a health, safety and environmental mandate.

Metal and diamond mines come with a new set of issues in relation to the environment, health and safety. With the potential for new opportunities for non-energy mines, there is a need to develop a regulatory process that is appropriate to this mineral industry and designate a lead regulatory agency or department. Using Section 5 of the existing Mines and Minerals Act would allow the development of mining regulations in the shortest period of time.

The Alberta Department of Energy would take the lead in the formulation of new or updated policy for development of non-energy minerals with input from Sustainable Resource Development, Environment, Economic Development, the Alberta Energy and Utilities Board and other stakeholders. The Department of Energy would also continue to allocate mineral rights.

Determine the single regulator, develop and implement a new regulatory process for metallic and industrial mining.

Petrochemical/Chemical Plants/Refineries

During the 1970's and 80's, the Government of Alberta actively worked to attract petrochemical industry investment to Alberta with the objective of adding value to Alberta's natural gas resource through upgrading in the province. Industrial Development Permit legislation was added to the Oil and Gas Conservation Act in 1974 to provide for public interest assessment of allowing large amounts of hydrocarbon resources to be consumed as fuel or feedstock at large-scale petrochemical operations. The IDP process provided a public forum to evaluate and approve the first of the world-scale petrochemical projects in the province. There are currently 34 facilities in Alberta authorized by Industrial Development Permits. Current requirements to assess energy efficiency and hydrocarbon resource availability are not compatible with the present deregulated environment for removing gas from the province. The legislative requirement for Industrial Development Permits to be approved by Order-in-Council appears to add little value to the regulatory process and extends the total processing time unnecessarily. Implement a single decision-maker approach that would include public notice, environmental and technical assessment, public hearings and all energy, environmental and historical resources approvals.

There are approximately 60 plants that have been issued approvals under the Environmental Protection and Enhancement Act that manufacture/blend chemicals and fertilizer. Twenty of these plants have also been issued IDP's. There are also five oil refineries that have been issued IDP's and operate with EPEA approvals.
Currently, both the EUB and AENV have involvement with approvals for the petrochemical industry as well as other large fuel use manufacturing operations. The EUB has primary responsibility for assuring that new facilities are in the public interest, including consideration of environmental impact. AENV has primary responsibility for issuing, and ensuring compliance with environmental approvals. In addition, AENV has

sole responsibility for approval and ongoing regulation of a large number of chemical manufacturing/blending operations.

Determine the single regulator, develop and implement a new regulatory process for the petrochemical/chemical sector. Industrial Development Permit provisions need to be removed from the Oil and Gas Conservation Act, the Coal Conservation Act and the Oil Sands Conservation Act.

Municipal, Commercial/Industrial, Hazardous Waste Management

Develop one definition for "hazardous waste" and "dangerous oilfield waste" to simplify management of waste streams with same characteristics. Wastes should be defined as either hazardous or non-hazardous.

Class I and class II landfills would be best regulated through individual approvals because of the potential to contaminate water. A code of practice could be established for class III landfills.

Other agencies that deal with specialized waste streams include Alberta Health and Wellness [biomedical], Environment Canada [import/export of hazardous and non-hazardous wastes and hazardous recyclables]. Their role in a single decision maker approach needs to be clearly defined.

The jurisdictional role between a rural development permit process and the approval process needs to be clarified. As well the relationships with rural and urban municipalities needs to be strengthened to ensure the public has appropriate input opportunities during the planning and approval phases of all new and expanding landfills regardless of size.

There are approximately 175 class II landfills in Alberta. There are 2 third party (accept waste from other parties) hazardous waste landfills in Alberta. There are 22 class one industrial landfills in Alberta. Alberta Environment handles these landfills. The Energy and Utilities Board has regulates 8 oilfield landfills and 76 waste management facilities which include waste processing, waste storage, waste transfer, biodegradation and thermal sites.

Municipal Drinking Water Facilities

Alberta Environment [AENV] is responsible for ensuring Alberta's drinking water is safe by confirming through compliance inspections that water treatment plants and water distribution systems are operated properly. The primary objective is to ensure availability of safe drinking water in adequate quantities to the public regardless of raw water quality. Due to the direct and large potential impact on public health, the drinking water program must be considered unique. Regional Health Authorities [RHA] deal with bacteriological

contamination of drinking water supplies through the use of "boil water advisories". A close working relationship is maintained by AENV and RHA's to ensure that a timely and appropriate public health response is undertaken.

In addition to compliance inspections that confirm that all operating approval conditions and standards are met, there is a need to encourage continuous improvement and address incidents such as taste, odour, colour, chemical levels and dosage problems and filtration/chlorination problems. There is also a need to ensure that all drinking water plant operators have the appropriate level of education and training to deal with technical problems and are able to implement proper procedures. The ongoing safe operation of drinking water facilities will require the following:

1. Annual inspection of all facilities using surface water sources and biannual inspections of all facilities using groundwater sources.
2. A formal abatement program that works with approval holders to achieve compliance.
3. Formalization of the roles, qualifications, knowledge and skills required of all staff that will be involved with approvals, compliance inspections and abatement.

Municipal Waste Water Treatment

Alberta Environment is responsible for regulating wastewater treatment, development of consistent programs, standards and policies with municipalities and key stakeholders to ensure that storm drainage and sewage are managed to protect and improve the environment and health of Albertans. The Environmental Protection and Enhancement Act and regulations for wastewater and storm drainage require municipal wastewater and storm water facility approvals and operation of these facilities under the supervision of certified operators. The regulatory delivery occurs through out the province, with coordination required to ensure that approvals produced in the regions are consistent. Environment is currently the lead agency for direction setting and management as well as the regulation of wastewater treatment in Alberta.

Water Rights Allocation and Use

Alberta Environment is the current regulator for water. An **approval** is needed before construction activity in a water body (includes activities such as weed cutting, erosion protection, beach creation, piers & docks, channel realignment and water intake structures). Sustainable Resource Development is also actively involved with any of these activities that effect or occupy the bed or shore of any waterbody.
A **licence** is needed before diverting and using water.

Under the one project, one review, one corporate approval approach, the sector regulator will be responsible for approval of construction activity in and around water. Regulators will apply government standards/objectives in its application review and decision

process. For example, with confined feeding operations, operations with an NRCB approval will be exempt the requirement for a Water Act **approval.**

When clear in-stream objectives and improved knowledge of aquifers are available, the **licence** process could be a registration process where the sector regulator administers registration. For example, is there water available-If yes, the regulator considers the proposal. If no, the regulator waits until the applicant has arranged for a water right from someone already with the "basin". Until basin and groundwater plans are completed, Alberta Environment must continue to continue to regulate the right to divert and use.

As of September 17, 2002, a total of 12,123 Water Act applications have been received since 1999.Of these applications, 3414 Approvals and 5461 Licences have been issued. Environment has also received 3811 Notifications under the Codes of Practice. The department also received a total of 27,000 applications for registration of the Traditional Agricultural Uses. As of April 2002, 21,000 registrations have been completed and the remaining 6,000 require further processing because of their complexity. These registrations are for volumes of water diversion up to 6,250m3/yr.

Challenges

- Timely completion of the basin and groundwater plans - Water allocation, public interest and environmental protection decisions are easier when water basin plans are in place and any thresholds to development determined.
- Federal interest and intrusion
- Public scepticism about the ability for government to deliver regional plans and assure that water is being protected and used wisely. Readily available, verifiable information on the status of environment and performance of operators will be needed to confirm Alberta's high standards are being maintained and that resource management processes are sustainabl

Commercial/Industrial Processing

Alberta Environment currently regulates a wide variety of commercial and industrial processing activities through the *Activities Designation Regulation* of the Environmental Protection and Enhancement Act. These activities are subject to the requirements of either an approval or a registration. There are also a few activities that require notice to the Director to carry on business. There are 80 activities within 16 categories described under Schedule 1 of the regulation that require an approval. These categories are Agriculture, Chemical, Construction, Food or Animal By-Products, Metals, Mineral Processing, Wastewater and Storm Drainage, Oil and Gas, Power Plants, Services, Wood Products, Biotechnology, Manufacturing, Conservation and Reclamation, Potable Water and Waste Management. There are 13 activities under the categories of Waste Management, Substance Release and Pesticides that require registration.

Major Water Development Projects

The Environmental Protection and Enhancement Act, Environmental Assessment [Mandatory and Exempted Activities Regulation] requires the preparation of an Environmental Impact Assessment report for the following water management structures:

1. A dam greater than 15 metres in height when measured to the top of the dam;
    a) from the natural bed of the watercourse at the downstream toe of the dam, in the case of a dam across a watercourse;
    b) from the lowest elevation at the outside limit of the dam, in the case of a dam that is not across a watercourse;
2. A water diversion structure and canals with a capacity greater than 15 cubic metres per second;
3. A water reservoir with a capacity greater than 30 million cubic metres.

Water management projects are subject to review by the Natural Resources Conservation Board where Alberta Environment has ordered the preparation of an Environmental Impact Assessment report.

The applications for large provincial government projects such as Little Bow and Highwood Storage have been prepared by Public Works Supply and Services [now Alberta Transportation] and submitted to the NRCB for review. A more recent application to construct a weir on the Peace River at Dunvegan to produce hydro-electric power has been submitted to the NRCB by Glacier Power Ltd.

Alberta Environment issues water allocation licences for these large projects pursuant to the Water Act once they are approved by the NRCB.

Timber Quota's, Licences, and Permits

Timber licences are issued within a Forest Management Unit (FMU) to quota holders to authorize the harvesting of timber from a specific land area. The wood is used mostly for manufacturing into lumber, OSB, or wood pulp. Timber permits make available a specified volume of timber to meet local needs for saw logs, posts, or for processing into wood products. In addition permits may be issued for a variety of forest products, such as posts and poles, building logs, Christmas trees, transplant trees, and firewood. Permits may be issued for 30 days to two years and are renewed based on the type of product and the purpose of the permit. Timber Quota's are 20-year renewable agreements based on environmental performance and practice. They give companies the rights to harvest a percentage of the Annual Allowable Cut (AAC) within a FMU, which is defined as the amount of annual growth of wood that the forest grows each year. Under the licences, the company is required to submit annual operating plans and general development plans. These plans identify where harvesting will occur, the methods used, access plans, reforestation plans, operational and protection plans. Provincial or regional standards are established in the Timber Harvesting Planning and Operation Ground Rules and other policies. The FMA holder, in consultation with the quota holder, takes the lead on forest

management planning for the FMA area. Timber quota holders remain actively involved in the forest management planning process and must follow the ground rules for the FMA area.

Alberta Environment is the current regulator under the Water Act for construction activities related to the development of access within the bed and shorelines of water bodies. In the future, the sector regulator will be responsible for approval of construction activity in and around water.

Grazing on Public Lands

Grazing on public land is administered under two Acts, *Public Lands Act* and *Forest Reserves Act*.

The *Forest Reserves Act* regulates grazing on public land in the Rocky Mountains Forest Reserve, a portion of the eastern slopes ranging from Waterton Park to the height of land between the Brazeau and Pembina Rivers. It is the headwaters of the North and South Saskatchewan Rivers. Grazing is administered under three types of permits: annual, temporary, and on-off. Annual permits are issued each year up to the level of an individuals preference quota. A preference quota may be established for any person who has held a temporary permit for three years and has established a need for continued grazing. A preference quota never expires and cannot be assigned. The rights may be re-allocated where a person sells the land and his operation. On-off permits may be issued where a part of the forest reserve makes up an individual pasture on adjacent land and it can be operated more efficiently and effectively as an individual unit. The Forest Reserve is divided into range allotments. These allotments are established on watershed boundaries and contain separate management units. A range management plan governs how each allotment is grazed. About 75,000 animal unit months of grazing are utilized on about 250,000 acres of the 1.1 million acres in the Forest Reserve.

Grazing on the remaining public land in the province is administered pursuant to the *Public Lands Act*. Grazing is authorized by lease, permit, license, or head-tax permit. Grazing leases may be issued for up to twenty years, but by policy are usually issued for ten. They are issued on specific land parcels. Lessees are expected to manage and maintain the forage conditions on the land. Permits are issued annually and convey the right to the use of the forage. Licenses are issued for up to ten years and convey the right to the use of the forage. Grazing users must manage their livestock in such a manner to maintain the condition and productivity of the range. Over 5.6 million acres of public land are grazed on 7400 dispositions.

Sand and Gravel

Sand and gravel is a depleting non-renewable resource that must be carefully managed for the benefit of Albertans. Aggregates are essential for the development of homes,

businesses and infrastructure on which our society is built. Population growth and infrastructure upgrading projects are increasing the demand for aggregate products. Protection of known reserves and permitting of new sources is essential to support affordable development in the Calgary and Edmonton metropolitan areas. Mother Nature, community pressures and alternate surface development opportunities limit additional sources. In addition to development pressures around Calgary and Edmonton, the demand for aggregate in the Fort McMurray area is immense and has resulted in the use of crushed limestone from depleted oil sands mining areas as an alternative. Alberta Transportation is a large consumer of sand and gravel and responsible for the extraction of six to nine million tonnes per year. About 30% of that volume comes from AT-owned pits and the remainder from private or public land pits.

Alberta Environment has approximately 650 sand and gravel pit approvals under EPEA in place. Sustainable Resource Development has approximately 1800 surface material dispositions for sand and gravel in place under the Public Lands Act. Under the current regulatory structure all pits may require an approval or license under the Water Act and all pits on private land that are greater than 5 hectares in size require an EPEA approval. Regulation and management of all sand and gravel activities should move to one regulator. The single regulator will ensure that there is one review, one decision, one comprehensive approval document and one appeal process.

Geophysical and Mineral Exploration

Maintain a one-window approach for regulation of geophysical exploration. Approvals must be issued for geophysical exploration to be carried out in Alberta within 10 days. Geophysical exploration is carried out either by drilling shallow 3.5-inch diameter holes to a depth of 60 feet and detonating explosive charges or using large vibrating machines on the land surface to generate sound waves. The underground structure, depth, and other information are determined from the sound waves reflected off the underground formations and are picked up by sensitive recording devices. Geophysical exploration occurs prior to mineral sales. The data obtained help the company determine potential oil and gas development prospects that are reflected in the prices bid for the sale. Geophysical exploration may also occur prior to locating a proposed well to determine the greatest chances of a successful oil or gas well. Exploration occurs on public and private land. The major issues relate to the effect of exploration on the land surface on public land. Major issues include the impact on the timber and wildlife resources, implications for erosion, and the potential sustainability of the timber resource. On private land, the major issues relate to the potential impact on water wells and structures. Sustainable Resource Development monitors all geophysical work on both public and private land. In addition, landowners may call any complaints into Sustainable Resource Development who investigate and follow up with the landowners and the companies. Unlike oil and gas drilling, landowners can refuse access to their land and the company has no recourse. The *Surface Rights Act* does not apply to geophysical exploration.

Approximately 1400 to 2000 applications are received each year and about 220,000 to 280,000 kms of geophysical lines are explored. About 100 to 150 complaints are received each year relating to specific programs and general concerns are addressed as well.

Commercial, Industrial and Recreational Activities

The Alberta government has established the **Alberta Tourism Recreational Leasing Process** [ATRL] to help proponents of tourism and recreation facilities requiring a long-term lease, through the government review and approval process. A commercial tourism and recreation development is classified under three categories:

- Adventure [wilderness lodge]
- Leisure [campground, golf course]
- Heritage [interpretive sites]

If the proposed development meets one of the following criteria, it may be subject to the ATRL process.

- Requiring long-term tenure
- Involving permanent structures
- Needing public review
- Needing integration with existing land uses.

The ATRL process has three major objectives:

1. To ensure that tourism and commercial recreation applications for development on public land continue to be reviewed in a prompt and efficient manner.

2. To provide a comprehensive review whereby adequate, timely and accurate information about tourism and commercial recreation lease applications is made available to assess whether or not to approve a lease.

3. To recognize the business, financial and environmental information requirements associated with long-term tourism and commercial recreation opportunities on public land.

About 900 projects have been approved under this process. Staff from Sustainable Resource Development and Economic Development work together to manage this process.

Other activities such as communication tower sites, trapper's cabins, plant sites, industrial campsites and storage sites, as well as for recreational use by non-profit entities and municipalities are included on 7000 dispositions that cover about 320,000 acres. Disposition types include the Miscellaneous Lease (MLL), the Miscellaneous Permit

(MLP) and the Recreational Lease (REC). In addition commercial trail riding operations are approved under a commercial trail-riding permit. These permits provide the approval for commercial operations to carry out trail riding in certain parts of the province. Management of dispositions must recognize the needs of the resource to achieve sustainability, and the timing needs of the industry, commercial venture or individual to undertake their activities on the land to obtain the benefit from the disposition. Alberta Sustainable Resource Development is committed to issuing dispositions, for the use of public land, in a timely, effective way. Appropriate and relevant conditions are applied to ensure the long-term use of that public land.

Forest Management Agreements

A Forest Management Agreement [FMA] is an area-based agreement between the Province and a company that gives the company the rights to establish, grow, harvest and remove timber from a particular area of land. FMA's are issued for a 20-year period and are eligible for renewal based on performance relative to timber and environmental management. The FMA holder is responsible for all forest management inventory, planning, reforestation and road construction and abandonment costs. A Stewardship Report is prepared every five years and submitted to the Minister. FMA holders typically create a Public Advisory Committee to meet their obligation of involving the public in the Detailed Forest Management Plan planning process. Many FMA holders have also developed a separate public involvement process or opportunities for First Nations. Due to long-term tenure responsibilities, and the nature of the planning and approval framework, the FMA holder can maintain a wide range of operational planning information not available elsewhere. This may include non-licence of occupation roads, planned cut blocks, special features such as mineral licks, recreation trails, seeps, wildlife and ecological classification, habitat supply and historical/archaeological information. The province maintains a number of data sources that are used for disposition and landscape-level decision-making. There is a need to further explore opportunities to share data/information and agree on standards between government and industry to implement integrated resource management within an integrated spatial environment model. Alberta Environment is the current regulator under the Water Act for construction activities related to the development of access within the bed and lines of water bodies. In the future, SRD will be responsible for approval of construction activity in and around water.

Forestry- Pulp Mills

Seven pulp mills currently operate in Alberta, on the Peace River downstream of the Town of Peace River, on the Wapiti River south of Grande Prairie, on the Lesser Slave River near the Town of Slave Lake, on the Athabasca River at Hinton, two on the Athabasca River near Whitecourt and one on the Athabasca River near Boyle. The ten-year operating approvals issued under the Environmental Protection and Enhancement Act requires renewal for most of these mills in the next two years. The pulp mill

companies were required to prepare environmental improvement action plans during the initial operating approval timeframe. Alberta and Canada have entered into an equivalency agreement under the Canadian Environmental Protection Act to regulate, monitor and report on the management of dioxins and furans in the wastewater treatment system of The Alberta-Pacific pulp mill.

Public interest can be expected during the approval renewal processes for the mills and the broader issues related to forest management and cumulative effects.

Forestry- Major Manufacturing Plants

There are currently 33 sawmill/lumber manufacturing plants, 22 secondary manufacturing plants and 5 panel board plants operating in Alberta as members of the Alberta Forest Products Association. SRD allocates the timber to the primary manufacturing plants. AENV issues EPEA approvals to those facilities that will cause air or water emissions.
Implement a single decision-maker approach that would include public notice, environmental and technical assessment, public hearings, and all timber supply, land disposition, environmental and historical resources approvals. Continue dialogue with municipalities to insure integration of municipal approval/development processes.

Major Commercial Recreation

The Natural Resources Conservation Board Act is given the authority under sections 1[h] and 4[b] to review recreational or tourism projects where Alberta Environment has ordered an Environmental Impact Assessment [EIA] report. The Environmental Assessment [Mandatory and Exempted Activities] Regulation requires that an EIA report be prepared for any "tourism facility that is expected to attract more than 250,000 visitors per year and will be immediately adjacent to an ecological reserve, a natural area or a wilderness area under the *Wilderness Areas, Ecological Reserves and Natural Areas Act.* The NRCB has reviewed five applications for commercial recreation projects between 1991 and 2000. Hearings were held on the Three Sisters Golf Resorts project at Canmore, the Evan Thomas Creek Golf Course proposal in Kananaskis Country, and the Vacation Alberta Recreational/Tourism proposal at West Castle. The NRCB approval and Lieutenant Governor in Council authorization were issued for Three Sisters, a recommendation for approval was issued for Evans Thomas Creek and a conditional approval was granted for West Castle.

Confined Feeding Operations

The NRCB is the approving and regulatory agency for confined feeding operations. The NRCB's mandate is established under the *Agricultural Operations Practices Act.* The NRCB administers the regulations and standards for CFOs.

An approval under AOPA may be only one of various permits and approvals that a livestock producer may be required to obtain before they can expand an existing CFO or develop a new one.

To simplify the overall approvals process, the NRCB worked with Alberta Environment, Alberta Sustainable Resource Development, Alberta Transportation and other authorities to develop a one-window application and approvals process. This means that producers will only have to prepare and submit a single application form and, for the most part, they will only have to deal with one agency (the NRCB).

The one-window approach also means that producers will receive all their approvals at once or they will receive none of them. By having a single, coordinated application and review process, the total time required to apply for and receive all the necessary approvals will be minimized.

Logical First Steps:

- Examine consolidation of approval processes –Single approval agency
- Combine application decision-making authority under NRCB review and hearing process
- Applications where proposed developments will be sited within 500 m of a road must receive an approval from Alberta Transportation. Look at further integration to a single approval by integrating Alberta Transportation requirements into NRCB decision-making process.
- work with other government agencies to ensure that the required standards and practices are consistent among agencies and to find ways of further streamlining the application and approvals process.